

GAMING UPDATE

Volume 15, Edition 1

January 2001

2001 Legislature Takes the Floor

The Nebraska Legislature returned to work on January 3rd for what will be a 90-day session this year. This is the first half of a biennium Legislature - "biennium" meaning the two-year period in which a single Legislature exists. This is also the time when the Legislature will be budget planning and making appropriations for the next two years. The budget will undoubtedly be a time-consuming issue during the session.



Another major issue which the Legislature will probably be addressing is redistricting.

So what about charitable gaming?

Will the Legislature be talking about bingo or pickle cards? Do they plan to discuss the continuing decline in charitable gaming wagering? While we do not know for sure what others have planned, Charitable Gaming Services will be introducing some proposals of its own.

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Great New Ways to Reach Us! We now have direct fax and toll free numbers for your convenience. Please send your Charitable Gaming faxes to (402) 471-5600. Our toll free telephone line is (877) 564-1315. Local callers are to continue using 471-5937.

Mail addressed to Charitable Gaming Services of the Department of Revenue should include Post Office Box 94855 and zip code 68509-4855. Using our direct fax and post office box numbers will speed up your communications to Charitable Gaming.

And check out our Web site at: www.nol.org/revenue, then click on "Charitable Gaming." You'll find current license application forms, information guides, and statutes. Just click on the applicable button

for the information desired. Also "Useful Links" gets people to the IRS, the Nebraska Legislature, the Nebraska Secretary of State, and the Nebraska Attorney General. There is a link at "Bulletins" to the Secretary of State's Web site to make it easy to view any draft regulations we are proposing to adopt and the related hearing notice. To view current regulations, go to the Department of Revenue's home page and click on "Legal Info" and then on "Regulations."

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Charitable Gaming Inspectors

Charitable Gaming Services' responsibilities recently increased with the transfer of the inspector supervisor position and the seven inspectors to Charitable Gaming Services from Investigative Services.

The inspectors are currently working out of the regional offices located in Scottsbluff, North Platte, Grand Island, Norfolk, Omaha and the main office in Lincoln. The activities of the inspectors will change somewhat from the types of activities they were performing while assigned to Investigative Services. Inspectors will continue to review the conduct of bingo and the sale of pickle cards by licensees along with extending their review to the financial reporting and record keeping of licensed organizations and their use of charitable gaming funds for lawful purposes. This will entail the inspectors looking at the financial records of both the licensed organizations and the pickle card operators. Inspectors will also begin reviewing the conduct of keno activity including the review of the sponsoring community's controls and the use of the funds designated for community betterment purposes.

Kim Nelson Back in Gaming

After a return to Audit Services for approximately four and one half years as a Revenue Audit Supervisor, Kim Nelson has moved back to Charitable Gaming Services. Kim, a Certified Public Accountant, is now the Revenue Agent Supervisor. She may be familiar to some of you since she was an auditor in Charitable Gaming from 1992-1996. She is looking forward to continuing her tour of the state with the inspectors.

"Services" Replace "Divisions"

To facilitate a more cooperative image of the Nebraska Department of Revenue, the various working groups of the Department are now referred to as Service Areas. Previously known as Divisions, a more service-oriented term was desired to encourage cooperative work both within and without the Department. We hope you agree this is a positive change as we strive to serve you, the licensee and the public.

NEBRASKA DEPARTMENT OF REVENUE

STATE TAX COMMISSIONER — MARY JANE EGR
Charitable Gaming Services Administrator — Jean Angell
Charitable Gaming Services Managers — Gerald Otoupal and Steve Schatz

WHO TO CONTACT FOR

Audits, Annual and Quarterly Reports, and Tax Returns

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Licenses, Authorizations, Permits, Device Decals, and Forms

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County/City Lottery Game Conduct

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Visit our Web site at: www.nol.org/revenue

2001 Legislative Session (cont.)

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Some of the major issues we plan to propose include:

- Permitting the Department to prorate license fees under certain circumstances;
- Providing for the licensing of volunteer first aid, ambulance, rescue, or emergency squads in the same manner as volunteer fire companies (applies to organizational licenses for bingo, pickle cards, and lottery/raffle);
- Requiring organizations with annual bingo gross receipts of \$100,000 or more to obtain a Class II license and to use only disposable paper bingo cards;
- Providing that an organization's cost of bingo promotional prizes be excluded when determining compliance with the bingo expense limitation;
- Amending the "allowable expenses" definition under the Nebraska Pickle Card Lottery Act so that it includes dispensing device registration fees when the devices are used at the organization's designated premises or bingo occasion;
- Requiring that a "youth sports" organization be in existence in this state for at least five years before it is eligible to apply for a pickle card license; and
- Requiring the biennial licensing of county and city lottery (keno) workers.

Please feel free to contact us if you have comments, questions or concerns about any of the proposals listed here. Additionally, we urge you to make your feelings known to your state senator or at the public hearing which is required to be held on the introduction of these proposals. Public hearings on gaming-related legislation are held by the General Affairs Committee. The hearing on these proposals is likely to be scheduled in late January or sometime during the month of February.

Get Involved with the Legislature — It's Never Been so Easy!

As another new year and another new legislative session begins we want to impress upon you how important it can be for you to **get involved** in the legislative process. With personal computers at home, in the work place, and in many public libraries, it has never been easier to keep track of the happenings in the State Capitol or to **let your state senator know how you feel** about issues they are going to debate and vote on as your representative.

The Nebraska Legislature's official Web site at www.unicam.state.ne.us can provide you with access to the statehouse and a wealth of information. You can read biographical information about the **senators** and find their **office addresses, telephone numbers, and e-mail addresses**, which districts they represent, and which committees they serve on. You will find the legislative session calendar, daily agenda, summary sheets of prior days' activity, and public hearing schedules. You can read introduced bills, access the state statutes and constitution, and can even **watch and listen to what the senators are debating live on the floor!**

If you do not have Internet access, here are some useful telephone numbers and addresses to assist you in keeping abreast of legislative happenings:

**To Obtain a Copy of a Bill,
Resolution, or Daily Journal**
- 24-Hour Request Line

(402) 471-2877

To Check on Bill Status
- Legislative Hot Line

**(402) 471-2709
or (800) 742-7456**

To Write Your Senator:

Senator's Name
District Number
State Capitol
P.O. Box 94604
Lincoln, NE 68509-4604

Biennial Licensing is Coming Soon!

In the last issue of the Gaming Update we reported the passage of LB1086 which authorized biennial rather than annual licensing of bingo, lottery by pickle card, and lottery/raffle applicants. This means nonprofit organizations, utilization of funds members, sales agents, gaming managers, commercial lessors, and pickle card operators will be filing license renewal applications every other year rather than every year as is currently the case. Biennial licensing will be implemented in two phases:

■ **The initial phase affects the following license types and types of organizations and commences with the licensing period beginning October 1, 2001:**

- ✓ Class I Bingo, Class II Bingo, Class I Lottery by Pickle Card, Class II Lottery by Pickle Card and related licenses (utilization of funds members, gaming managers, sales agents, and pickle card operator authorizations) - **licensed organizations which have tax exempt status under section 501(c)(3) or (c)(4) of the Internal Revenue Code;**
- ✓ Lottery/Raffle and related licenses (utilization of funds members and lottery/raffle special permits) - **licensed organizations which have tax exempt status under section 501(c)(3) or (c)(4) of the Internal Revenue Code;**
- ✓ **Commercial Lessors; and**
- ✓ **Pickle Card Operators.**

■ **The second phase affects the following license types and types of organizations and commences with the licensing period beginning October 1, 2002:**

- ✓ Class I Bingo and Class II Bingo (utilization of funds members and gaming managers) - **licensed organizations which**

have tax exempt status under section 501(c)(5), (c)(8), (c)(10), or (c)(19) of the Internal Revenue Code and volunteer fire departments;

- ✓ Class I Lottery by Pickle Card and Class II Lottery by Pickle Card (utilization of funds members, sales agents, and pickle card operator authorizations) - **licensed organizations which have tax exempt status under section 501(c)(5), (c)(7), (c)(8), (c)(10), or (c)(19) of the Internal Revenue Code and volunteer fire departments; and**
- ✓ Lottery/Raffle and related licenses (utilization of funds members and lottery/raffle special permits) - **licensed organizations which have tax exempt status other than section 501(c)(3) or (c)(4) of the Internal Revenue Code and volunteer fire departments.**

The types of organizations identified in the second phase will continue to be licensed on an annual basis until the license period beginning October 1, 2002. In June of this year, Charitable Gaming Services will mail the license renewal applications as usual. **Organizations will receive the appropriate biennial or annual license renewal application based upon the tax exemption information we have on file for each organization.**

There are a number of issues with respect to the implementation of biennial licensing which we are reviewing. Additional information will be provided as soon as it is available. These issues include:

- ✓ **Pickle Card Operators** - in order to qualify for a pickle card operator's license, the applicant must hold a retail liquor license issued by the Nebraska Liquor Control Commission. A business

which has been issued a pickle card operator's license effective October 1, 2001 which does not renew its liquor license during the biennial licensing period will have its pickle card operator's license canceled by the Department since it no longer meets the eligibility requirements for holding the license. All pickle card operator authorizations issued to licensed nonprofit organizations for such business will also be canceled by the Department.

- ✓ **Proration of License Fees** - Although there is not an overall increase in license fees, biennial license fees will be double the current annual license fees. We intend to introduce legislation this upcoming legislative session which would allow the Department to prorate license fees under limited circumstances.
- ✓ **Annual Reports** - Nonprofit organizations will still be required to file a report of their bingo, lottery by pickle card, or lottery/raffle activities on an annual basis.
- ✓ **Update of Certain License Application Information** - at the conclusion of the first year of the biennial licensing period, we are considering requiring the licensed nonprofit organizations to file amended license applications to report changes in organization officers, bingo chairpersons, alternate bingo chairpersons, bingo occasion information, and other license information which may require updating. Preprinted reporting forms would be provided for this purpose.

If there are other issues or concerns which you have regarding biennial licensing, we would be happy to hear from you. Now is the time to let us know so that we can consider your concerns in our planning for biennial licensing.

Public Hearing Held On Bingo Regulations

On December 14th, Charitable Gaming Services held a public hearing on proposed changes to the Nebraska Bingo Regulations. The current bingo regulations were in need of updating, having last been revised in 1992. Several legislative changes have occurred since the last regulation adoption date, as well as many technological advances in the bingo industry, rendering many of the current bingo regulations obsolete. A complete and extensive overhaul of the bingo regulations was long overdue.

The regulation hearing was held in Lincoln, and was also transmitted via video-conferencing to several sites across the state in an effort to afford every interested party an enhanced opportunity to participate. Individuals were present at the Lincoln, Scottsbluff, Grand Island, Kearney, and North Platte sites. Testimony was offered by a number of individuals. That input was invaluable to us.

The next step in the regulation adoption process will be for Charitable Gaming Services to review both the oral and written testimony received on the regulations. Any necessary corrections or changes will be made and then the regulations will be forwarded to the Attorney General's office for review and approval. From there, the regulations will go to the Governor's Policy Research Office for review and approval. Once approved by the Governor's office, the regulations will be forwarded to the Secretary of State for final filing. As you can see, the regulations must pass many steps before they become official; even though the public hearing process is completed, the new bingo regulations have not gone into effect. Charitable Gaming Services will notify all bingo licensees when the regulations have been approved and formally adopted.



Administrative and Court Actions

The following cases reached final administrative determination or court decision since the last issue of *Gaming Update*.

In the Matter of Youth Athletic Association, Omaha, Docket Number 2000-003-35G. It was alleged that the licensee's sales agent sold a unit of pickle cards to a business which did not hold a pickle card operator's license or an authorization to sell pickle cards on behalf of the organization. The Tax Commissioner issued an administrative order on May 4, 2000, assessing a fine of \$500.



In the Matter of Mamasitas Restaurante, Inc. d/b/a Mamasitas Resaurante, Bennet, Docket Number 2000-009-35G. The Department alleged that the licensee had failed to timely file its renewal application for a pickle card operator's license. The Department sought a \$200 fine. Without admitting liability, the licensee waived hearing and paid the fine. The case was dismissed on July 19, 2000.



In the Matter of Sports Shop, Burwell, Docket Number 2000-011-35G. The Department filed a motion seeking a \$200 administrative fine alleging the licensee was late in filing its pickle card operator's license renewal application the past two licensing periods. Subsequently, the Department moved to dismiss the action because the licensee had sold the premises and the liquor license was canceled. The case was dismissed on July 5, 2000.



In the Matter of Motor Inn Bar & Grill, Shelton, Docket Number 2000-017-35G. The Department instituted an action to suspend this licensee's pickle card operator's license alleging the licensee had possessed illegal gambling

records and allowed an unlawful gambling activity, wagering on sporting events, to be conducted on its premises. The Department moved to dismiss the case citing the premises had been sold and the pickle card operator's license held by the previous owners was going to expire. The case was dismissed on September 18, 2000.



In the Matter of North Bend Volunteer Fire Department, North Bend, Docket Number 2000-018-35G. This case involved allegations that the licensee, through its sales agent, sold and delivered three units of pickle cards to an unauthorized pickle card operator. The Department filed an action seeking to impose an administrative fine of \$200. The licensee, without admitting liability, signed a Waiver of Hearing and paid the administrative fine. The case was dismissed on July 17, 2000.



In the Matter of Lavern R. Kruger, North Bend, Docket Number 2000-019-35G. This sales agent was alleged to have sold three units of pickle cards to a pickle card operator that did not hold an authorization to sell pickle cards on behalf of the organization. The sales agent waived hearing and, without admitting liability, paid an administrative fine in the amount of \$200. The case was dismissed on June 2, 2000.



In the Matter of Big Red Lottery Services, Ltd., Omaha, Docket Number 2000-020-35G. The Department filed a motion seeking to impose a \$500 administrative fine, alleging the licensee failed to adequately inspect the keno balls in use

at one of its keno locations and that the licensee conducted a keno game with a missing ball and using multiple balls imprinted with the same number. Subsequently, the licensee waived hearing and, without admitting liability, paid the fine advocated in the Department's motion. The case was dismissed on July 21, 2000.



In the Matter of Nebraska Sports Council, Lincoln, Docket Number 2000-022-35G. This case involved allegations that the licensee sold and delivered two units of pickle cards through an unlicensed sales agent. The Department filed an action seeking to impose an administrative fine of \$200. Without admitting liability, the licensee signed a Waiver of Hearing and paid the administrative fine. The case was dismissed on July 12, 2000.



In the Matter of Baratta's Bar, Omaha, Docket Number 2000-023-35G. The Department instituted an action seeking to suspend the licensee's pickle card operator's license. The Department's motion alleged that the president and owner of the licensee possessed an illegal gambling device. The Department also alleged that by jeopardizing its liquor license and pickle card operator's license by conducting an unlawful gambling activity on its premises, the licensee failed to demonstrate the ability, experience, or financial responsibility necessary to establish or maintain its pickle card operator's license. In lieu of going to hearing, the licensee, without admitting liability, signed a Waiver of Hearing and relinquished its pickle card operator's license for a period of six months. The case was dismissed on September 18, 2000.

In the Matter of KRAL Inc. d/b/a Lark Lounge, Columbus, Docket Number 2000-024-35G. An action was instituted by the Department seeking to suspend the licensee's pickle card operator's license and county/city lottery sales outlet location license. In its motion the Department alleged that the licensee unlawfully possessed two gambling devices. The Department also alleged that by jeopardizing its liquor license and pickle card operator's license by conducting an unlawful gambling activity on its premises, the licensee failed to demonstrate the ability, experience, or financial responsibility necessary to establish or maintain its pickle card operator's license. In lieu of going to hearing, the licensee, without admitting liability, signed a Waiver of Hearing and Settlement Stipulation and relinquished its pickle card operator's license and county/city lottery sales outlet location license for six months. The case was dismissed on October 20, 2000.



In the Matter of American Legion Post #007, Alliance, Docket Number 2000-026-35G. It was alleged that the licensee sold and delivered 16 units of pickle cards through an unlicensed sales agent. The Department filed an action seeking to impose an administrative fine of \$500. Subsequently, the licensee and the Department negotiated a settlement and without admitting liability, the licensee signed a Waiver of Hearing and Settlement Agreement and paid a \$350 administrative fine. The case was dismissed on July 12, 2000.

The Department issued 41 Notice of Intent to Deny letters and denied 16 licenses. The Tax Commissioner also ordered two licensees to cease and desist from violating charitable gaming laws.

License Your Mechanical Amusement Devices with Gaming

Effective November 1, 2000, Charitable Gaming Services assumed responsibility for the licensing of businesses and nonprofit organizations as operators, distributors, or distributor/operators of mechanical amusement devices and the issuance of the mechanical amusement device decals signifying payment of the occupation tax on such devices. Notices and license renewal forms were mailed in early November to all active licensees informing them of the new mailing address and telephone numbers of people to contact for assistance. By now, any mechanical amusement device in use should have a new 2001 decal properly affixed to it.

A mechanical amusement device is any machine which, upon inserting a coin, currency, credit card, or substitute into the machine, operates or may be operated or used for a game, contest, or amusement of any description. This includes such things as pinball machines, foosball tables, pool tables, etc. (This does not include pickle card dispensing devices. A separate registration decal is issued for these devices.) Charitable Gaming Services Inspectors perform on-site compliance checks to ensure mechanical amusement devices have the proper decal attached. Anyone using a mechanical amusement device without the proper decal conspicuously and permanently affixed to the device is subject to a fine of \$75 for each violation and the device being sealed by the Department of Revenue.

Any questions regarding the Mechanical Amusement Device form or decals can be directed to Charitable Gaming Services at (402) 471-5937 or toll free at (877) 564-1315.

A Friendly Reminder on Sports Pools

January is upon us and for football fans this means the Superbowl is just around the corner. We also have March Madness and the NCAA Basketball Tournament to look forward to in a couple of months. Sporting events can bring more patrons into many of your establishments and this translates into increased revenues. With this in mind, Charitable Gaming Services would like to take the opportunity to issue a friendly reminder. Football and basketball pools are considered forms of illegal gambling in Nebraska.

Charitable Gaming has the authority to take administrative action when its licensees are involved in illegal gambling activities. Administrative actions include the imposition of a fine and/or the suspension, cancellation, or revocation of a license. Please do not jeopardize your charitable gaming license(s) by conducting illegal sports pools.

Trends in Gaming Activity

Charitable Gaming activity has decreased by 35 percent since casino gaming began in Council Bluffs in 1995. Organizations selling pickle cards have suffered the largest decrease in their fund-raising efforts. Pickle card gross proceeds for the fiscal year ending June 30, 1995 were \$172,747,356 and decreased to \$82,866,886 for the fiscal year ending June 30, 2000. This is a 52 percent decrease in wagering on pickle cards. The decrease in pickle card wagering has also lowered the amount nonprofit organizations have available for lawful purposes by over \$8 million annually.

Cities, counties and villages have also experienced decreases in keno gross proceeds, but not as large as nonprofit organizations have experienced with pickle cards. Keno wagering decreased from \$208,670,897 to \$159,690,193 during the same period. This is a wagering decrease of 23 percent which lessened the amount the communities have available for community betterment by \$4 million annually. The major decrease experienced in keno wagering occurred in the first three years after the casinos opened.

Since the fiscal year ending June of 1998 wagering has stabilized in keno. Bingo activity has held steady as well, but pickle card activity has continued to decline.

Annual Pickle Card Dispensing Device Registration REMINDER

Have you received your new year 2001 pickle card dispensing device decal(s) yet? If you sell pickle cards through a coin- or currency-operated dispensing device, a new 2001 decal should already be on your device. **If not, the dispensing device cannot be used until you have received and affixed to the device the proper decal.** No pickle cards can be legally sold from a dispensing device that is not properly registered with the Department. **Inspectors from Charitable Gaming Services will be performing on-site compliance checks to insure that all dispensing devices in use are properly registered for the year 2001.** Anyone using a dispensing device without a 2001 decal affixed to it is **subject to a \$30 penalty** for each device not properly registered. The year 2001 decal has a red background with black lettering.

The annual dispensing device registration fee is \$50 per device. The responsibility for registering a device depends on where the device is being used. If a device is used at the location of a licensed pickle card operator, the responsibility lies with the pickle card operator even though the device may not be owned by the pickle card operator. If a device is used at the designated premises of a licensed organization or at its regularly scheduled bingo occasion, the licensed organization is responsible for registering the device.

In mid-October, the Department mailed preidentified computer-generated Pickle Card Dispensing Device Registration Renewals, Form 50F, to each licensed pickle card operator and licensed organization that renewed its 2000/2001 license and had registered a device during 2000. To be considered timely filed, the renewal form must have been submitted to the Department on or before November 15, 2000. Reminder notices were mailed on November 13, 2000, to those operators and organizations which had not yet filed their registration renewal forms. **If you did not receive**

a registration renewal form or you need additional forms, please contact Charitable Gaming Services at (402) 471-5937 or toll free at (877) 564-1315. The Nebraska Registration and Report of Pickle Card Dispensing Device, Form 50F, and Instructions for Completion are also available at our Web site. Type in www.nol.org/revenue and click on "Charitable Gaming."

It is also important that you keep us informed throughout the year of any changes associated with the use of a dispensing device at your location. If the ownership of a business licensed as a pickle card operator changes and the dispensing device is to be retained by the new ownership, a Form 50F must be filed with the Department by the new ownership to reregister the device. If applicable, a copy of the new lease agreement must also be included. The registration fee of \$50 will not be required if the dispensing device was part of the business assets purchased by the new owner. **If a dispensing device has been permanently replaced, the replacement device must be registered with our office prior to its use.** If applicable, a copy of the new lease agreement must also be included. The registration fee of \$50 is required under these circumstances **unless** the device is a temporary replacement device. **The installation of a temporary replacement device must be reported to the Department within five working days of the date the device was placed into service.** A temporary replacement device may not be used for more than 30 days.

Do You Need a Speaker? Or a Newsletter Article?

If you would like an article or speaker about any charitable gaming topic, please contact us. As a service to your members, perhaps charitable gaming information would be appreciated in your newsletter. We will provide information or a finished article based on your needs. Or we will provide a speaker on a charitable gaming topic of interest to your membership. Please contact Deb Weber of Charitable Gaming Services at (402) 471-5944 or by E-mail at dweber@rev.state.ne.us.

County/City Lottery News Briefs

- ❑ **Total dollars wagered on keno** for the period October 1, 1999 through September 30, 2000 were \$160,620,455. This represents an increase of over one percent as compared to the total dollars wagered on keno for the previous twelve-month period (\$158,402,308). Total dollars wagered on keno for the period July 1, 2000 through September 30, 2000 were \$39,481,529 which represents an increase of about two percent as compared to the previous quarter, April 1, 2000 through June 30, 2000 (\$38,667,792).
- ❑ In the general **election** on November 7, 2000, the Villages of Bertrand, Eustis, Mason City, Morrill, Niobrara, and Verdigre **approved a county/city lottery**. In **special elections** held this summer, the Village of Holstein **approved a county/city lottery** and the Village of Naponee rejected the issue. Although a few additional communities have expressed interest in county/city lottery activity, we are not aware of any other county, city, or village voting on the implementation of a lottery since July 1, 2000. If you know of other communities which held elections on the approval of a county/city lottery, please notify our office.
- ❑ The Village of Elm Creek, the Cities of Neligh and St. Paul, and Chase County are **new communities issued county/city lottery licenses since May 2000**. The City of St. Paul's lottery operator is St. Paul Keno, L.L.C. Lotto Nebraska is the lottery operator for the Village of Elm Creek, the City of Neligh, and Chase County.
- ❑ The Villages of Franklin, Oxford, and Prague **resumed their county/city lottery activities** since our last publication. The Village of Oxford renewed its lottery operator agreement with KECO, Inc., after the game had been inactive since September 1999. The Villages of Franklin and Prague have Lotto Nebraska as their lottery operator. The City of Bennington has a new lottery operator, Heartland Keno, Inc. The Village of Anselmo previously submitted an application to restart its lottery, but the proposed sales outlet location had not yet been licensed. The City of Lincoln and Lancaster County have submitted applications for a second lottery operator.
- ❑ The communities licensed through September 30, 2001, that have **inactive lotteries** as of this publication include the Villages of Anselmo, Belgrade, and Shelton and the Cities of Cambridge,

Greeley, and Minatare. The lottery in Cambridge ceased on December 13, 1999, Greeley's lottery has not been operated since September 30, 2000, and Shelton's lottery stopped July 5, 2000. The other communities' lotteries have been inactive since the current licenses were effective on October 1, 1999.

- ❑ Since June of 2000, at the request of the governing officials, **Gaming staff have attended a community meeting** in the Village of Eustis to present county/city lottery information and respond to questions.

County/City Lottery Worker Licensing

Procedural changes have been implemented by Charitable Gaming Services with respect to the licensing of county/city lottery workers. This is based on statutory provisions in place since lottery worker licensing was first required.

Falsification of Information on Application: As authorized under the provisions of Section 9-631.01 of the Nebraska County and City Lottery Act, Charitable Gaming Services is performing Name and Date of Birth checks on all new lottery worker license applicants through the Nebraska State Patrol (NSP) for criminal background investigation purposes. Upon receipt of the report from NSP, Charitable Gaming's licensing staff compares the information on the report to the information the applicant provided in response to Questions 7 and 8 of his or her lottery worker license application. If any of the information supplied by the applicant is found to be false, the applicant is disqualified and the application will be denied on the basis that the applicant made a misrepresentation of or failed to disclose a material fact to the department and, if applicable, convictions.

The notice of disqualification and intent to deny will inform the applicant that he or she must immediately cease from performing "work directly related to the conduct of a lottery" due to the falsification of information on his or her application. The applicant will be afforded the opportunity to request a redetermination within 30 days of the date of the notice of intended denial. Upon receipt of a request for redetermination, the Department will set the matter for administrative hearing. During the pendency of a request for redetermination, the lottery worker license applicant's probationary license is no longer valid and the individual may not be allowed to perform any work directly related to the conduct of the lottery. If a request for redetermination is not

made within the required time period, the license application denial becomes final.

Voiding a Lottery Worker License: Nebraska law requires an individual to file an application with the Department that includes the name and state identification number of the county, city, village, lottery operator, and sales outlet location or locations for which the person will be performing work. Thus, a separate license application is required for each county, city, or village lottery where the individual will be working.

Historically, whenever an individual discontinued working for a county, city, or village lottery, the Department required that a Nebraska Schedule III - County/City Lottery Worker Application be completed and submitted on behalf of the individual to cancel the lottery worker license. The signature of the lottery worker was not required. **Effective immediately, the Department will no longer treat such submission as a cancellation request unless the request is actually signed by the lottery worker whose license is to be canceled.** In those instances when the signature of the lottery worker is not provided, the licensing record will be updated to reflect that the lottery worker license is VOID since the individual is no longer working at the county, city, or village lottery for which the license was originally obtained. If the individual returns to work for that particular county, city, or village lottery in the future, a new Nebraska Schedule III will be required in order to reinstate the license and update the database.

The Department will periodically provide counties, cities, and villages with a list of the active lottery worker licensees on file for their lottery. If you indicate that an individual is no longer working for your lottery, we will update the licensing record to reflect that the lottery worker license is VOID since the individual is no longer working. Feel free to request a list from us when you would like to review those licensed to work with your lottery.

This change in the treatment of lottery workers who are no longer working at your county, city, or village lottery does **NOT** alter the necessity for counties, cities, and villages to insure that all individuals who perform any work directly related to the conduct of the lottery are properly licensed with the Department. Nebraska law requires that the lottery worker information on file with us be kept current.

Enforcement Activity: The Department's inspectors will be visiting keno locations to insure that all of the individuals working at the lottery are currently licensed. Individuals who are not licensed and are working at the lottery will be required to discontinue working until properly licensed. In addition, the Department will consider administrative sanctions against the county, city, village, lottery operator, and/or sales outlet location for allowing non-licensed individuals to work at the lottery.

Licensees to Report Changes Promptly

Another license year has come and gone for the pickle card operators and for the nonprofit organizations licensed to conduct bingo, lottery by the sale of pickle cards, or lottery/raffle. For the most part, the renewal process went very smoothly this year; however, it is apparent that Charitable Gaming Services needs to remind our licensees of their responsibilities relative to their licenses.

PICKLE CARD OPERATORS: If any of the information that you provided to our office on your most recent application (an original application or on a renewal application) changes throughout the license year, you must notify our office within 30 days of such changes. These changes include: change in the corporate and/or trade name of your business, change in the type of ownership of your business, i.e. sole proprietorship to a corporation, change in the officers of your business, liquor license information, the Nebraska identification number, etc.

NONPROFIT ORGANIZATIONS: If your organization holds elections each year to elect new officers, it is the responsibility of the organization to notify Charitable Gaming Services within 30 days of these changes. The information provided should include: the name of the organization, the Nebraska identification number; and the name, home address, date of birth, social security number and title of office elected to for each individual.

If any of the elected officers will be assuming the responsibilities of the utilization of funds member or sales agent, an application for a license **MUST** be submitted to our office. The individual must have physical possession of such license prior to the individual conducting any charitable gaming activities. **Failure to obtain the required license prior to conducting gaming activities may result in administrative action being taken against the individual as well as the nonprofit organization.**

If you have any questions or comments, please feel free to contact the Licensing staff and they will be glad to answer your questions.

GAMING CALENDAR

January		April	
1	All State Offices Closed - Happy New Year!	27	All State Offices Closed - Arbor Day
3	2001 Legislative Session begins (90-day session with last day anticipated in late May or early June)	30	Forms 35C and 35D due for period ending 3/31/01, from Class II bingo and pickle card licensees. Last acceptable postmark date is May 1st.
15	All State Offices Closed - Martin Luther King Day	May	
30	Forms 35C and 35D due for period ending 12/31/00, from Class II bingo and pickle card licensees. Last acceptable postmark date is January 31st.	28	All State Offices Closed - Memorial Day
February		June	
19	All State Offices Closed - President's Day	30	End of 2000-2001 Annual Reporting Period

Compulsive Gamblers Assistance

Compulsive Gambling Help Line 1-800-560-2126

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ✓ Gamblers Anonymous (Lincoln) (402) 473-7933 ✓ Gamblers Anonymous (Omaha) (402) 978-7557 ✓ Gamblers 12 Step & Family (Omaha) (402) 978-7899 | <ul style="list-style-type: none"> ✓ Family Services (Omaha) (800) 762-0868 ✓ Nebraska Council on Compulsive Gambling (Bellevue) (402) 291-0980 ✓ Gamblers Anonymous 1-800-GAMBLER (National) |
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